

Office of the Clerk of the United States Bankruptcy Court for the District of Delaware

Re: FTX Trading Ltd

Lead Case Number: 22-11068-JTD

**Title of Objection: DEBTORS' FOURTEENTH (SUBSTANTIVE) OMNIBUS OBJECTION
TO CERTAIN OVERSTATED PROOFS OF CLAIM (CUSTOMERS CLAIMS)**

Claimant: Link Forth Capital Ltd

Claim Number: 68427

Managing Partners:

Andrew Schwartz

Farah Haddadin

Dimitrios Liakakos

Address:

Link Forth Capital Ltd

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USA

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U.S. BANKRUPTCY COURT
DISTRICT OF DELAWARE

February 26, 2024

To Whom It May Concern,

We are writing to provide evidence that Link Forth Capital Ltd held assets on FTX as of November 11th, 2022, consistent with the assets stated on our Claim Number 68427. Specifically, we held \$5,243,391.33 in USD and 0 BNB and 0 BNB-PERP. This contrasts with the discrepancies outlined in the Fourteenth Omnibus Claim Objection Schedule 1 - Modified Claims, which indicated holdings of \$4,777,998.69 USD, -1,300.328 BNB, and 1,300.80 BNB-PERP.

The reason for this discrepancy is solely due to an FTX error in one sub-account, named: basis_bnb. This error took place on November 10, 2022.

BNB-PERP is a derivative of the asset BNB, meaning its price is derived from the price of BNB (spot). BNB-PERP serves as a hedge against BNB. In our case, we were long BNB-PERP and short BNB spot, with these positions offsetting each other. However, due to a failure in FTX technology, FTX's liquidation engine got erroneously activated and liquidated our position. This resulted in a loss of USD 548,884.88 and a closure of our BNB and BNB-PERP positions.

The snapshot, from FTX Trading Ltd. 22-11068 (JTD) Fourteenth Omnibus Claim Objection Schedule 1 - Modified Claims, includes the liquidation penalty (a loss of USD 548,884.88), but still shows our BNB spot position as short 1,300.328 and BNB-PERP positions as long 1,300.8 (not liquidated). In other words, if the snapshot includes the liquidation penalty, it should have zero BNB spot and zero BNB-PERP for our position. Additionally, if the snapshot was prior to the liquidation, the open BNB-PERP and BNB spot positions do not accurately reflect the value of the basis_bnb subaccount (USD 548,884.88).

As outlined in exhibits mailed to Kroll on December 17, 2022 and our Electronic Proof of Claim_3265-70-WLBWU-425743862 between Kroll and Link Forth Capital Ltd, filed on September 25th, 2023, our record correctly accounts for the basis_bnb subaccount. It shows a higher balance than the snapshot from FTX Trading Ltd. 22-11068 (JTD) Fourteenth Omnibus Claim Objection Schedule 1 - Modified Claims, by an amount of USD 548,884.88. Please email linkforth@linkforth.capital to request a copy of all transactions and adjustments within the basis_bnb subaccount.

Exhibits A-E2 contain communications between Link Forth Capital Ltd and FTX customer support regarding this incident, as well as proof of assets.

Our official FTX Account Manager Chase Branham acknowledged the liquidation error and was in the process of restoring our balance but did not communicate with us further (Exhibits D,E1,E2).

We have raised this discrepancy multiple times in the bankruptcy process. Please refer to our attached letter sent via certified mail to Kroll on December 17th, 2022. Additionally, our Electronic Proof of Claim_3265-70-WLBWU-425743862 between Kroll and Link Forth Capital Ltd, filed on September 25th, 2023, outlined the situation.

Enclosed are the communications previously submitted to clarify why our claim offers the most accurate representation of our account balance and should be used as the claim value.

Sincerely,
The Link Forth Managing Partners
Andrew Schwartz
Farah Haddadin
Dimitrios Liakakos

Thursday Dec 13, 2022

To Whom It May Concern,

The purpose of this letter is to offer proof that Link Forth Capital Ltd had assets on FTX as of November 11th 2022.

Link Forth Capital Ltd (the "Creditor") is an entity in the British Virgin Islands (BVI) that is wholly owned by Link Forth Fund, LP (a US Delaware registered Limited Partnership).

Schedule 1 to this letter provides proof in the form of screen captures taken from the FTX platform, correspondence in the form of email and chat (via the Telegram application) with FTX customer support and database records from Link Forth Capital's systems. More specifically:

Exhibit "A" shows a screen capture of assets residing in the Main Account on FTX as well as FTX's valuation of those assets in USD.

Exhibit "B1" Shows a screen capture of the first part of a list of withdrawal requests from FTX that were never processed.

Exhibit "B2" Shows a screen capture of the second part of a list of withdrawal requests from FTX that were never processed.

Exhibit "C" Is a record of the withdrawal requests taken from Link Forth Capital Ltd's database

Exhibit "D" Shows a screen capture of the communication with dedicated FTX account manager via the Telegram Chat Application

Exhibit "E1" Shows a screen capture the first part of an email sent to FTX support

Exhibit "E2" Shows a screen capture the second part of an email sent to FTX support

The Main account in FTX had the following assets:

- 1) 12.5 ETH (Ethereum)
- 2) 260.07048 FTT (FTX Token)
- 3) 0.010005 SOL (Solana)

At the time of the snapshot (November 11th, 2022), FTX valued the assets (less of the amounts requested for withdrawal) at sixteen thousand, four hundred dollars and forty five cents (USD 16,400.45). The list of withdrawal requests can be found in Exhibits B1 and B2 or Exhibit C. Exhibit C also contains the "Withdrawal ID" verbatim from the FTX system. The Net Asset Value of the unprocessed withdrawal requests is four million, six hundred and seventy eight thousand, one hundred and six dollars (USD 4,678,106).

On November 10th, 2022, one of Link Forth Capital Ltd's subaccounts (named "basis_bnb") incurred a liquidation due to an FTX miscalculation. This caused a loss of five hundred and forty eight thousand, eight hundred and eighty four dollars and eighty eight cents (USD 548,884.88). Exhibit D contains the communication between Link Forth Capital Ltd and FTX customer support regarding that incident. Exhibit E shows the email sent by Farah Haddadin on behalf of Link Forth Capital Ltd to FTX explaining the situation.

The value of the "basis_bnb" subaccount pre-liquidation amounted to four hundred and seventy seven thousand, nine hundred and eight dollars and twenty five cents (USD 477,908.25). The liquidation resulted in a negative balance of seventy thousand, nine hundred and seventy six dollars and sixty four cents (USD (70,976.64)). The negative balance was covered by a transfer of nine thousand, three hundred and eighty one dollars and eighteen cents (USD 9,381.18) and another transfer of sixty one thousand five hundred and ninety five dollars and forty six cents (USD 61,595.47) from the Main account to "basis_bnb". The net loss to Link Forth Capital Ltd was: $477,908.24 + 9,381.18 + 61,595.46 = 548,884.88$

Therefore the Net Asset Value of the Link Forth Capital Ltd assets on FTX as of November 11th, 2022, was: $16,400.45 + 4,678,106 = 4,694,506.45$

Adjusting for the erroneous liquidation the total NAV nets to five million, two hundred and forty three thousand, three hundred and ninety one dollars and thirty three cents (USD **5,243,391.33**): $4,694,506.45 + 548,884.88 = 5,243,391.33$

Sincerely,
The Managing Members of Link Forth Capital Ltd

Farah Haddadin



Andrew Schwartz



Dimitrios Liakakos

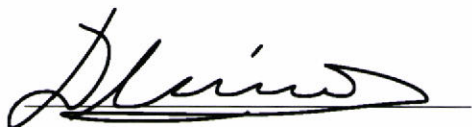


Exhibit A - Assets in Main Account

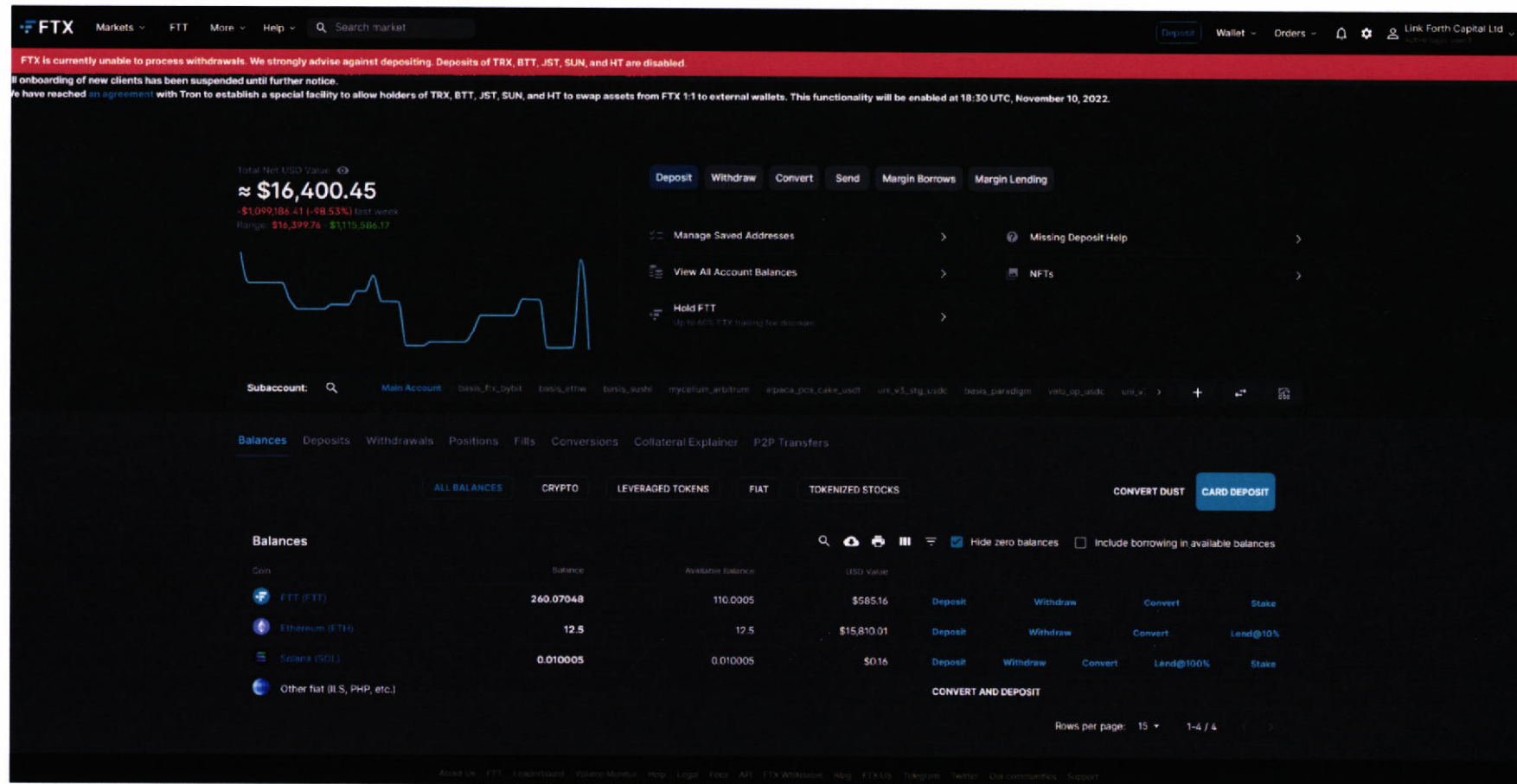


Exhibit B1 - Part 1/2 of Unprocessed Withdrawal Requests

FTX Markets FTT More Help Search market									
FTT	BTC	ETH	SOL	SRM	BTC-PERP	ETH-PERP	BTC/USD	EXCH-1250	USD/USD
-23.87%	-7.04%	-7.93%	-15.99%	-18.03%	-7.04%	-7.93%	-4.57%	-2.32%	-1.37%
-23.87%									
Subaccount: Main Account basis_fx_hybit basis_ethw basis_sushi mycelium_arbitrum apara_pos_cake_usdt uni_v3_stg_usdc basis_paradigm velo_op_usdc uni_v3									
Balances Deposits Withdrawals Positions Fills Conversions Collateral Explorer P2P Transfers									
Withdrawals									
Time	Coin	Amount	Destination	Status					
11/11/2022, 3:32:43 PM	USDC	965,109.49357017 USDC (0.5 USDC fee)	FB1 USDC ERC20 (0x93AA4ec156Cddbf646C0D2dEBC4B7117A4aE71A)	Requested					
11/11/2022, 3:32:05 PM	USDC	999,999 USDC	FB2 USDC ERC20 (0xd977a1Cac2336f72bDCC16558Ab5342B348A1cDd)	Requested					
11/11/2022, 9:37:23 AM	BUSD	450,000 BUSD (1 BUSD fee)	FB2 BUSD BSC (0xd977a1Cac2336f72bDCC16558Ab5342B348A1cDd)	Requested					
11/11/2022, 9:36:27 AM	BUSD	499,999 BUSD	0x93AA4ec156Cddbf646C0D2dEBC4B7117A4aE71A	Requested					
11/10/2022, 8:52:58 PM	USDC	550,000 USDC	FB2 USDC ERC20 (0xd977a1Cac2336f72bDCC16558Ab5342B348A1cDd)	Requested					
11/10/2022, 6:17:54 PM	USDC	550,000 USDC	FB2 USDC ERC20 (0xd977a1Cac2336f72bDCC16558Ab5342B348A1cDd)	Cancelled					
11/10/2022, 12:46:17 PM	USDC	5,000 USDC	FB2 USDC ERC20 (0xd977a1Cac2336f72bDCC16558Ab5342B348A1cDd)	Requested					
11/10/2022, 11:37:53 AM	BUSD	100 BUSD (0.05 BUSD fee)	FB2 BUSD BSC (0xd977a1Cac2336f72bDCC16558Ab5342B348A1cDd)	Cancelled					
11/10/2022, 10:02:10 AM	USDC	1,000 USDC	FB2 USDC ERC20 (0xd977a1Cac2336f72bDCC16558Ab5342B348A1cDd)	Requested					
11/10/2022, 10:01:29 AM	USDC	1,000 USDC	FB2 USDC ERC20 (0xd977a1Cac2336f72bDCC16558Ab5342B348A1cDd)	Requested					
11/10/2022, 9:59:49 AM	USDC	1,000 USDC	FB2 USDC ERC20 (0xd977a1Cac2336f72bDCC16558Ab5342B348A1cDd)	Requested					
11/10/2022, 9:59:12 AM	USDC	1,000 USDC	FB2 USDC ERC20 (0xd977a1Cac2336f72bDCC16558Ab5342B348A1cDd)	Requested					
11/10/2022, 9:58:38 AM	USDC	1,000 USDC	FB2 USDC ERC20 (0xd977a1Cac2336f72bDCC16558Ab5342B348A1cDd)	Requested					
11/10/2022, 9:57:18 AM	USDC	1,000 USDC	FB2 USDC ERC20 (0xd977a1Cac2336f72bDCC16558Ab5342B348A1cDd)	Requested					
11/10/2022, 9:56:52 AM	USDC	1,000 USDC	FB2 USDC ERC20 (0xd977a1Cac2336f72bDCC16558Ab5342B348A1cDd)	Requested					
11/10/2022, 9:55:24 AM	USDC	1,000 USDC	FB2 USDC ERC20 (0xd977a1Cac2336f72bDCC16558Ab5342B348A1cDd)	Requested					

	FTT	BTC	ETH	SOL	SRM	BTC-PERP	ETH-PERP	BTC/USD	EXCH-1230	USD/USD	FTT-PERP			
	-73.87%	-70.4%	-7.91%	-15.99%	-18.03% AM	-7.04%	-7.93% BUSD	-4.57%	-2.32% KAY BUSD 10 US BUSD fee	-1.37%	-23.87%			
					11/10/2022, 10:02:10 AM		USDC			1,000 USDC		(0x6d97a1cAC2336f72bDCC16558Ab5342B348A1cDe)	Canceled	
												FB2 USDC ERC20 (0x6d97a1cAC2336f72bDCC16558Ab5342B348A1cDe)	Requested	
					11/10/2022, 10:01:29 AM		USDC			1,000 USDC		FB2 USDC ERC20 (0x6d97a1cAC2336f72bDCC16558Ab5342B348A1cDe)	Requested	
					11/10/2022, 9:59:49 AM		USDC			1,000 USDC		FB2 USDC ERC20 (0x6d97a1cAC2336f72bDCC16558Ab5342B348A1cDe)	Requested	
					11/10/2022, 9:59:12 AM		USDC			1,000 USDC		FB2 USDC ERC20 (0x6d97a1cAC2336f72bDCC16558Ab5342B348A1cDe)	Requested	
					11/10/2022, 9:58:38 AM		USDC			1,000 USDC		FB2 USDC ERC20 (0x6d97a1cAC2336f72bDCC16558Ab5342B348A1cDe)	Requested	
					11/10/2022, 9:57:18 AM		USDC			1,000 USDC		FB2 USDC ERC20 (0x6d97a1cAC2336f72bDCC16558Ab5342B348A1cDe)	Requested	
					11/10/2022, 9:56:52 AM		USDC			1,000 USDC		FB2 USDC ERC20 (0x6d97a1cAC2336f72bDCC16558Ab5342B348A1cDe)	Requested	
					11/10/2022, 9:55:24 AM		USDC			1,000 USDC		FB2 USDC ERC20 (0x6d97a1cAC2336f72bDCC16558Ab5342B348A1cDe)	Requested	
					11/10/2022, 9:53:49 AM		USD (fiat)			61,595.46 USD		Transfer from main account to basis_bnb	Complete	
					11/10/2022, 9:52:47 AM		USD (fiat)			9,38118 USD		Transfer from main account to basis_bnb	Complete	
					11/9/2022, 11:19:44 AM		USD (fiat)			600,000 USD		Transfer from main account to basis_paradigm	Complete	
					11/8/2022, 10:54:37 AM		USDC			600,000 USDC		FB2 USDC ERC20 (0x6d97a1cAC2336f72bDCC16558Ab5342B348A1cDe)	Requested	
					11/8/2022, 10:53:38 AM		USDC			600,000 USDC		FB1 USDC SPL (6HytkopKREK2hxERSHZRH2BwsvRtCGBxrHgC4FJD3Y4)	Requested	
					11/8/2022, 12:21:03 AM		BUSD		1,250,000 BUSD (0.05 BUSD fee)			FB2 BUSD BSC (0x6d97a1cAC2336f72bDCC16558Ab5342B348A1cDe)	Cancelled	
					11/8/2022, 12:10:08 AM		USDC			1,250,000 USDC		FB1 USDC SPL (6HytkopKREK2hxERSHZRH2BwsvRtCGBxrHgC4FJD3Y4)	Cancelled	
					11/7/2022, 1:25:51 PM		USD (fiat)			100,000 USD		Transfer from main account to basis_ftx_bybit	Complete	
					11/7/2022, 11:02:52 AM		USDT		150,000.75 USDT (0.10 USDT fee)			FB2 USDT BSC (0x6d97a1cAC2336f72bDCC16558Ab5342B348A1cDe)	Complete	(0x061f693cf39b707cef93b979b3afcaeb0019bae50ea308ba982d1bc30747fb/)
					11/7/2022, 10:48:54 AM		USD (fiat)			100,000 USD		Transfer from main account to basis_ftx_bybit	Complete	
					11/7/2022, 10:34:29 AM		USD (fiat)			200,000 USD		Transfer from main account to alpaca_pcs_cake_usdt	Complete	
					11/7/2022, 8:01:47 AM		USD (fiat)			200,000 USD		Transfer from main account to basis_paradigm	Complete	

Exhibit C - Database record of unprocessed withdrawal requests

Withdrawal ID	Coin	Transaction ID	Address	Tag	Method	Size	Fee	Status	Date	Time	Notes	Destination Name	Proposed Transfer ID	Destination Email	Subaccount
29405638	USDC	NULL	4HytkopKXEK2hxErSH2Rh2BwsvRcTQ8yxRgCt4FJD3Y4	NULL	sol	600,000	0	requested	2022-11-08	16:53:38	NULL	FB1 USDC SPL	NULL	NULL	NULL
29405782	USDC	NULL	0x6d97a1CAC2336f72bDCC16558Ab5342B348A1cDd	NULL	matic	600,000	0	requested	2022-11-08	16:54:38	NULL	FB2 USDC ERC20	NULL	NULL	NULL
29641054	USDC	NULL	0x6d97a1CAC2336f72bDCC16558Ab5342B348A1cDd	NULL	matic	1,000	0	requested	2022-11-10	15:55:24	NULL	FB2 USDC ERC20	NULL	NULL	NULL
29641249	USDC	NULL	0x6d97a1CAC2336f72bDCC16558Ab5342B348A1cDd	NULL	avax	1,000	0	requested	2022-11-10	15:56:52	NULL	FB2 USDC ERC20	NULL	NULL	NULL
29641319	USDC	NULL	0x6d97a1CAC2336f72bDCC16558Ab5342B348A1cDd	NULL	matic	1,000	0	requested	2022-11-10	15:57:18	NULL	FB2 USDC ERC20	NULL	NULL	NULL
29641565	USDC	NULL	0x6d97a1CAC2336f72bDCC16558Ab5342B348A1cDd	NULL	matic	1,000	0	requested	2022-11-10	15:58:38	NULL	FB2 USDC ERC20	NULL	NULL	NULL
29641681	USDC	NULL	0x6d97a1CAC2336f72bDCC16558Ab5342B348A1cDd	NULL	matic	1,000	0	requested	2022-11-10	15:59:13	NULL	FB2 USDC ERC20	NULL	NULL	NULL
29641827	USDC	NULL	0x6d97a1CAC2336f72bDCC16558Ab5342B348A1cDd	NULL	matic	1,000	0	requested	2022-11-10	15:59:50	NULL	FB2 USDC ERC20	NULL	NULL	NULL
29642352	USDC	NULL	0x6d97a1CAC2336f72bDCC16558Ab5342B348A1cDd	NULL	matic	1,000	0	requested	2022-11-10	16:01:30	NULL	FB2 USDC ERC20	NULL	NULL	NULL
29642608	USDC	NULL	0x6d97a1CAC2336f72bDCC16558Ab5342B348A1cDd	NULL	erc20	1,000	0	requested	2022-11-10	16:02:11	NULL	FB2 USDC ERC20	NULL	NULL	NULL
29698549	USDC	NULL	0x6d97a1CAC2336f72bDCC16558Ab5342B348A1cDd	NULL	matic	5,000	0	requested	2022-11-10	18:46:17	NULL	FB2 USDC ERC20	NULL	NULL	NULL
29732041	USDC	NULL	0x6d97a1CAC2336f72bDCC16558Ab5342B348A1cDd	NULL	erc20	550,000	0	requested	2022-11-11	2:52:59	NULL	FB2 USDC ERC20	NULL	NULL	NULL
29769066	BUSD	NULL	0x93AA4ec156Cddb646C0D2dE8C4B7117A4a4E71A	NULL	erc20	499,999	0	requested	2022-11-11	15:36:27	NULL	NULL	NULL	NULL	NULL
29769157	BUSD	NULL	0x6d97a1CAC2336f72bDCC16558Ab5342B348A1cDd	NULL	erc20	450,000	1	requested	2022-11-11	15:37:24	NULL	FB2 BUSD BSC	NULL	NULL	NULL
29789917	USDC	NULL	0x6d97a1CAC2336f72bDCC16558Ab5342B348A1cDd	NULL	erc20	999,999	0	requested	2022-11-11	21:32:06	NULL	FB2 USDC ERC20	NULL	NULL	NULL
29789943	USDC	NULL	0x93AA4ec156Cddb646C0D2dE8C4B7117A4a4E71A	NULL	erc20	965,109.4936	0.5	requested	2022-11-11	21:32:44	NULL	FB3 USDC ERC20	NULL	NULL	NULL

Exhibit D - Telegram Chat communication with FTX Customer Support**Telegram**

Link Forth <> FTX
5 members


10 November

Link Forth
Guys...I know it is probably playmoney right now but we got a liquidation due to absurd deviations between spot and perp.
probably the least of the concerns so pls share if there is any news
rooting for you guys


Chase
Request is in to move FTX from perp index. Only thing really know to do

Link Forth
understood...normally we would view this as kind of "fair game" but 50% deviation from other markets in BNB is a bit wild
anyways anything you can do to help is appreciated...hoping to come out of this alive

Chase
You and I both
Pushing on this.



Link Forth



hey this is for later when the dust settles
that spike caused a 478k loss for us
or rather the autoliquidation of the short spot / long perp position we put on via paradigm
but again for later...more pressing matters



✓ 6:38 AM

✓ 6:38 AM

✓ 6:38 AM

7:09 AM

✓ 7:09 AM

✓ 7:12 AM

7:32 AM

7:33 AM

✓ 9:20 AM

✓ 9:21 AM

✓ 9:21 AM

✓ 9:21 AM

Exhibit E1 - Part 1/2 Email to FTX Customer Support



Dimitrios Liakakos <dimitri@linkforth.capital>

Liquidation in basis_bnb

1 message

Farah Haddadin <farah@linkforth.capital>

Fri, Nov 11, 2022 at 3:53 PM

To: "support@ftx.com" <support@ftx.com>

Cc: Dimitrios Liakakos <dimitri@linkforth.capital>, Andrew Schwartz <andrew@linkforth.capital>

Hi Chase/Zane/Vip support/Liquidators

I hope you are doing well given the situation :(

We just wanted to follow up with the Telegram messages we sent regarding the forced liquidation that took place in our subaccount "basis_bnb."

Our subaccount value was about 478k before this liquidation took place. We were short the BNB spot and long the BNB-PERP. Per the screenshot below, one can see BNB spike to over 564 dollars. This was almost a 50% deviation from other BNB markets.



We believe this liquidation was specifically due to a breakdown in market structure due to FTX illiquidity/bankruptcy. This is a position that existed without deviation for several months.

The liquidation trades are attached to this email (basis_bnb_liquidations.csv).

Please, we ask that you restore the account value to whatever it was before this liquidation.

In addition, yesterday, we tried to request a withdrawal from the main subaccount. We got a message suggesting that we cannot withdraw when we have a negative balance (or something along these lines). So we immediately restored the

Exhibit E2 - Part 2/2 Email to FTX Customer Support

value of the subaccount back to zero balance by sending 2 transfers from "main" to "basis_bnb."

Here are the 2 deposits into "basis_bnb"

deposit_id = 45764093, time = 2022-11-10 15:52:47.839646. amount: **9,381.18 USD**

deposit_id = 45764279, time = 2022-11-10 15:53:49.411506. amount: **61,595.46 USD**

Is there any way to undo these transfers and send them back to our main account?

We are attaching the deposit transactions to this email as well (basis_bnb_neg_balance_deposits.csv).

We know that you are under immense stress right now, and we are sorry to put you through this under these awful circumstances.

As always, we are thankful for your help.

Best,
Farah

--



Farah Haddadin

Managing Partner


Link FORTH Capital Management LLC


+1 (630) 890-3696

farah@linkforth.capital

<https://www.linkforth.capital/>

2 attachments

 **basis_bnb_neg_balance_deposits.csv**
1K

 **basis_bnb_liquidations.csv**
8K